

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

iGAMES ENTERTAINMENT, INC.,

Plaintiff,

v.

**CHEX SERVICES, INC. and
EQUITEX, INC.,**

Defendants.

C.A. No. 04-180 (KAJ)

JURY TRIAL DEMANDED

**Appendix of Exhibits To iGames's Opposition To The
Motion By Chex's And Equitex For Summary Judgment**

Exhibit CC

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

- - -

iGAMES ENTERTAINMENT, : CIVIL ACTION

INC., :

v. :

:

CHEX SERVICES, INC. :

and EQUITEX, INC. : CIVIL ACTION NO.

: C.A. 04-180-KAJ

- - -

December 10, 2004

- - -

Oral deposition of JEREMY
STEIN taken pursuant to notice, was held
at the law offices of DUANE MORRIS, LLP,
4200 One Liberty Place, 1650 Market
Street, Philadelphia, Pennsylvania
beginning at 10:05 a.m., on the above
date, before Terri L. Ochipinti, a
Professional Reporter and Commissioner of
Deeds in the Commonwealth of
Pennsylvania.

- - -

ESQUIRE DEPOSITION SERVICES

15th Floor

1880 John F. Kennedy Boulevard
Philadelphia, Pennsylvania 19103

(215) 988-9191

<p>62</p> <p>1 this assets purchase agreement, Exhibit 2 96, to anyone at Chex or Equitex 3 personally? 95, excuse me. 4 A. When I would discuss the 5 business of iGames this product would be 6 mentioned. 7 Q. I understand that that was 8 one of the products that iGames was 9 selling in 2003, correct? 10 A. Marketing, correct. 11 Q. Marketing. My question to 12 you is, do you believe that the asset 13 purchase agreement, Exhibit 95 was ever 14 provided to anyone at Equitex or Chex? 15 A. I don't know. 16 Q. Okay. 17 A. I'd have to refer to the 18 closing docs. 19 Q. Do you know if you ever told 20 anyone at Equitex or Chex about the terms 21 of this assets purchase agreement, 22 Exhibit 95? 23 A. I don't recall discussing 24 terms.</p>	<p>64</p> <p>1 potential \$250,000 loan from Mercantile 2 to iGames; is that correct? 3 A. Are you referring to this 4 document? 5 Q. Yes. 6 A. Correct. 7 MR. PORETTI: Can you hand 8 him Exhibit 84, please? 9 MR. TAYLOR: 84? Sure. 10 BY MR. PORETTI: 11 Q. You have been given Exhibit 12 84, Mr. Stein. If you would turn to Page 13 22 of that document, can you confirm 14 that's your signature on Page 22? 15 MR. TAYLOR: You are on the 16 wrong page. 17 MR. PORETTI: There's two 18 Page 22s. 19 MR. TAYLOR: Oh. 20 BY MR. PORETTI: 21 Q. That's Bates number 2742. 22 A. That is my signature. 23 Q. Okay. And I don't need you 24 to review this document in detail, but</p>
<p>63</p> <p>1 MR. PORETTI: Do you want to 2 grab Exhibit 83, please, Matt. 3 MR. TAYLOR: Sure. 4 MR. PORETTI: I've got a 5 copy for you. That's your copy. 6 BY MR. PORETTI: 7 Q. Do you recognize Exhibit 83? 8 A. Yes. 9 Q. That's a letter addressed to 10 you dated September 18, 2003 from 11 Mercantile Capital; is that correct? 12 A. That's correct 13 Q. You were introduced to 14 Mercantile Capital by Mr. Wolfington, 15 right? 16 A. Correct. 17 Q. You understood at the time, 18 in September of 2003, that Mr. Wolfington 19 had an ongoing banking relationship with 20 Mercantile Capital? 21 A. I don't know the nature of 22 their relationship, but I know there was 23 one. 24 Q. Okay. This relates to a</p>	<p>65</p> <p>1 would you agree with me that this is the 2 document that was entered into as part of 3 the \$250,000 loan referenced in Exhibit 4 83? 5 MR TAYLOR: Objection to 6 the form. The document speaks for 7 itself. You can answer. 8 THE WITNESS: That's what it 9 appears. 10 BY MR. PORETTI: 11 Q. Did you ever, you 12 personally, ever provide the loan and 13 security agreement, Exhibit 84, to anyone 14 at Equitex or Chex? 15 A. I don't believe I gave them 16 this agreement. 17 Q. Do you believe that you 18 verbally informed anyone at Equitex or 19 Chex that iGames was taking out a 20 \$250,000 loan with Mercantile in November 21 of 2003? 22 A. Yes. 23 Q. Who do you think you told 24 that to?</p>

<p>1 A. Ijaz.</p> <p>2 Q. When do you think you</p> <p>3 referenced that or disclosed that to</p> <p>4 Mr. Anwar?</p> <p>5 A. I don't recall an exact</p> <p>6 conversation, but over a few phone calls,</p> <p>7 financial conditions were discussed.</p> <p>8 Q. What was the purpose for</p> <p>9 this loan; what was iGames going to do</p> <p>10 with the 250,000?</p> <p>11 A. The loan was to assist in</p> <p>12 paying some of the operating expenses of</p> <p>13 iGames.</p> <p>14 Q. Do you believe that you</p> <p>15 informed Mr. Anwar of the loan before</p> <p>16 November 26 or after?</p> <p>17 A. I believe before.</p> <p>18 Q. You can't recall a specific</p> <p>19 meeting or a telephone conversation where</p> <p>20 that was discussed?</p> <p>21 A. Not specifically.</p> <p>22 Q. Okay. Do you know if Chex</p> <p>23 or Equitex ever gave iGames written</p> <p>24 permission to enter into that loan</p>	<p>66</p> <p>1 A. Not that I recall.</p> <p>2 Q. Let me give you Exhibit 52.</p> <p>3 A. Yes.</p> <p>4 Q. Is that your signature, sir,</p> <p>5 on the first page?</p> <p>6 A. Yes, it is.</p> <p>7 Q. This one's dated November 3,</p> <p>8 2003 and also talks about signing a --</p> <p>9 assigning certain rights to a portion of</p> <p>10 the termination fee to Mr. Wolfington.</p> <p>11 My first question to you is, why was</p> <p>12 iGames assigning the rights to the</p> <p>13 termination fee to Mr. Wolfington?</p> <p>14 MR. TAYLOR: Two issues.</p> <p>15 One, objection. The question</p> <p>16 mischaracterizes the document.</p> <p>17 Two, the document speaks for</p> <p>18 itself. You can answer the</p> <p>19 question -- and objection to the</p> <p>20 form.</p> <p>21 THE WITNESS: The document's</p> <p>22 November 11. I believe you said</p> <p>23 the 3rd. But why did we assign</p> <p>24 the termination --</p>
<p>67</p> <p>1 agreement?</p> <p>2 A. I'm not aware of it.</p> <p>3 Q. Let me give you Exhibit 53.</p> <p>4 Is that your signature on the second</p> <p>5 page?</p> <p>6 A. Yes, it is.</p> <p>7 Q. All right. This is an</p> <p>8 assignment agreement also dated November</p> <p>9 26, 2003 in which iGames is assigning</p> <p>10 certain rights to a million-dollar</p> <p>11 termination fee to Mercantile Capital; is</p> <p>12 that your understanding?</p> <p>13 MR TAYLOR: The document</p> <p>14 speaks for itself. Objection.</p> <p>15 The document speaks for itself.</p> <p>16 THE WITNESS: That's what it</p> <p>17 states in the document.</p> <p>18 BY MR. PORETTI:</p> <p>19 Q. Did you ever inform anyone</p> <p>20 at Chex or Equitex that this</p> <p>21 million-dollar termination fee called for</p> <p>22 under the stock purchase agreement was</p> <p>23 being assigned or transferred to</p> <p>24 Mercantile?</p>	<p>69</p> <p>1 MR. PORETTI: That's the</p> <p>2 question.</p> <p>3 THE WITNESS: -- funds to</p> <p>4 Chris?</p> <p>5 BY MR. PORETTI:</p> <p>6 Q. Yes.</p> <p>7 A. He was putting certain risks</p> <p>8 out there in attempting to help us close</p> <p>9 or attempt to close this deal. And if</p> <p>10 this deal didn't close, wanted to make</p> <p>11 sure he felt protected in that he could</p> <p>12 recover any losses that he may incur.</p> <p>13 Q. Did you inform Mercantile</p> <p>14 Capital before you executed Exhibit 53 of</p> <p>15 the existence of the November 11</p> <p>16 agreement, Exhibit 52?</p> <p>17 A. Mercantile and Chris had a</p> <p>18 working relationship and understood the</p> <p>19 terms of our agreements.</p> <p>20 Q. The question is this, did</p> <p>21 you personally inform Mercantile of the</p> <p>22 existence of the November 11 letter,</p> <p>23 Exhibit 52.</p> <p>24 A. No.</p>